



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 12, 2016

Scott Bakken  
Energy Fuels Resources (USA)  
225 Union Boulevard, Suite 600  
Lakewood, Colorado 80228

Subject: Initial Review of Revised Reclamation Cost Estimate, Energy Fuels Resources (USA),  
Energy Queen Mine, M/037/0043, San Juan County, Utah

Dear Mr. Bakken:

The Division of Oil, Gas and Mining has reviewed the referenced reclamation cost estimate which was received December 8, 2015. The attached comments will need to be addressed before the Division approves the estimate. Please submit your response to this review by February 12, 2016. After the cost estimate is determined complete, the Division will ask that Energy Fuels submit the additional surety required for escalation to 2020 dollars.

Please contact the lead for this project, Mike Bradley, at 801-538-5332, Wayne Western at 801-538-5263, or me at 801-538-5261 if you have questions about the review or if you would like to schedule a meeting to discuss the comments. Thank you for your cooperation in completing this permitting action.

Sincerely,

*Paul B. Baker for PBB*  
*(finalized by PBB)*

Paul B. Baker  
Minerals Program Manager

PBB: mpb: eb

Attachment: Review

P:\GROUPS\MINERALS\WP\M037-SanJuan\M0370043-Hecla (EnergyQueen)\final\Rev1-7039-01062016.doc





## INITIAL REVIEW OF REVISED RECLAMATION COST ESTIMATE

**Energy Fuels Resources (USA)**  
**Energy Queen Mine**  
**M/037/0043**  
**January 11, 2015**

### General Comments:

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
1	General	The Division may have additional comments based on the responses to this review. Please attempt to provide a complete, technically adequate submittal.	OGM	

### R647-4-113 – Surety

Comment #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
	Task 1	Please include the cost for disposal of the trailer. The Division has found that some trailers at forfeited sites have no salvage value and must be disposed of in a landfill.	whw	
	Task 1	Please include a cost for disposal of non-metallic debris in the buildings that will be shipped to a landfill.	whw	
	Task 3	Please show asbestos removal and disposal as separate line items.	whw	
	Task 4	Please list the volume of the tanks (gallons)	whw	
	Task 4	For disposal of fuel tanks please use Means cost 02 65 10.30 and include removal of sludge and product, transportation and disposal of tank at a certified facility and any other related costs.	whw	
	Task 6	Please include costs for transporting and disposal of the pond liner.	whw	
	Task 9	Please state how many of the wells are wet (encounter water) and how many are dry. For wet holes use Means 33 21 13.10 8520. All holes must be reclaimed in accordance with R647-4-108. To ensure proper plugging and abandonment, a drill rig must be used for wet holes, and the cost estimate needs to include mobilization of the rig.	whw	
	Regrading	The quantity for re-grading the pond is 10 cubic yards, but the cost is \$3,383 which implies 10 hours of machine time. Please clarify.	whw	
	Earthwork	For a D9 dozer, please use costs from Blue Book 2016: \$24,400.00 monthly rate (176 hrs/month), operating cost \$125.20/hr, add 10% to rental rate and operating cost for overhead and profit. Use Means labor \$74.15 which includes overhead and profit.	whw	
		For 966H, please use costs for Bluebook 2016: \$8,250.00 monthly rate (176 hrs/month), operating costs \$58.70/hr, add 10% to rental rate and operating cost for overhead and profit. Use Means labor \$74.15 which includes overhead and profit.	whw	



Initial Review  
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M/037/0043  
January 11, 2016

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
	Summary bonding sheet	Please include 10% for mobilization and demobilization.	whw	
	Summary sheet	The escalation rate should be 1.3% instead of 0.5%.	whw	